

## Terms and Conditions of Bait Al Khair Finance

- 1- The customer confirms that he has thoroughly examined the property intended to be financed as to eliminate any ignorance and that it is free of any defects and satisfied with the physical condition thereof and accepted to purchase it in the same condition in accordance with the contract conditions.
- 2- Administrative fees of 1% of the finance amount, or SR 5000, whichever is lower.
- 3- The client shall pay the installments to the bank in accordance with the attached repayment schedule herewith. The repayment schedule shall show the amount of installment, number and dates thereof.
- 4- The client shall pay the full price of the property intended to be financed by installments and on the dates specified in the repayment schedule.
- 5- The installments and all obligations arising from this contract shall be deposited in the client's account with Samba Financial Group (simply "Samba" hereafter).
- 6- Delinquent Payment:  
The client agrees that in case he fails to make any payment when becomes due under this contract, the bank shall not make repetitive requests for payment, and in case he is delinquent in the payment and it became impossible to satisfy the delayed amount from both partners' account, he shall pay 4% of the payable monthly installment, or otherwise pay SR 150, whichever greater, of the due amount to the bank (to be calculated based on the delay period), this amount shall be disbursed for charitable work as per the recommendation of Samba's Islamic Banking Sharia Board, and that the client authorizes the bank to deduct such amount from the client accounts with the bank.
- 7- The client declares that he is free from any debts or liabilities to third parties who may prevent him from the performance of his obligations resulting from the contract towards the bank and he shall undertake not to subsequently enter into any obligations impeding the execution of the contract or causing non-performance of his obligations towards the bank.
- 8- The client declares mortgage of the sold property to the bank and shall execute the mortgage document attached herewith, that he also by virtue of such document authorizes the bank or its representative as competent agent to sell the mortgaged property and the buildings and facilities that have been constructed thereon as per the mortgage document provisions in case the client fails to timely pay three consecutive installments, or that he is delinquent to make payment for six intermittent months after the bank's request to make payment by an official letter and that the bank/representative, in accordance with the provisions of the mortgage document, shall receive the price, settle the debit account to the bank in accordance with the early repayment terms contained in the contract and pay the balance to the client, if any. If the selling price of the mortgaged property does not cover the remaining installments, the bank shall request the client to pay the unpaid installments. In this case, the client shall bear all the expenses and costs incurred by the bank in the course of claiming its dues and rights contained in the contract, including collection charges and attorney fees as stipulated in the contract.
- 9- The client agrees to maintain the property subject matter of the contract under the name of the competent agent under whose name it is conveyed, and the bank shall have the right to transfer the mortgage at its sole discretion to another competent agent, provided that this party is among the Saudi real estate companies licensed to operate in the Kingdom. The new competent agent shall have full powers agreed upon for the current competent party. The bank may also authenticate the mortgage with the notary public whenever it chooses to do so, and it shall be entitled to register the mortgage under the name of a member of the bank board of directors in accordance with the Saudi applicable regulations, within the term of the contract, until the client repays the full agreed amount of the contract. In all cases, the client's rights shall be safeguarded.
- 10- The client must keep the property subject matter of the contract and all the components thereof in good condition, and use same within the limits permitted by the mortgagee as family residence without causing any damage from the residence structure or the parts thereof in order to safeguard the creditor's right unless otherwise permitted by the bank. In the event that any loss or damage caused by the client or others that would reduce the value of the mortgaged property to the extent of being less than the remaining debt and insurance compensation is insufficient or does not cover the said damage, the client shall repair the damage in order to maintain the property value. In case of the client's failure to do so, he shall provide the bank with an additional mortgage in a value not less than the amount of deficit in the property value, and the client shall pay all payable installments in due time and shall have no right to request the bank a replacement, compensation or contract termination. The above provisions shall not preclude the bank from collecting all remaining installments (which become immediately due) from the insurance compensation in accordance with the early repayment terms under this contract, and make execution of what can be executed against the property under the mortgage in order to collect the remaining portion of price in case insurance compensation is not sufficient or does not cover the occurring damage.
- 11- The client shall not do any act in the property subject matter of the contract which may affect the property ownership or the bank's right in the property as a secured creditor until the full payment is made.
- 12- The client shall pay his share of the competent agent fees, if any, according to the costs stated in the (Mortgage Document) on maturity date.
- 13- The client shall affiliate to real estate owners' association where the property is located, if any, and in all cases he shall bear all the expenses and fees arising from this affiliation. He shall have no right to claim competent agent or the bank to bear such expenses and fees instead of him.
- 14- Upon the client request and the level of punctuality in paying the installments, the bank may permit the client to lease the property subject matter of the contract during the term of mortgage contract, and the mortgagee bank may revoke its permit to the mortgagor regarding the use of the mortgaged property, lease the mortgaged property and mortgage the rental amount with the property, in case the client fails to timely pay the due installments without prejudice to the bank right as to the sale of the property through the competent agent to satisfy its rights under the contract if it deems it necessary.
- 15- The client declares that he has examined the property subject matter of the contract, and made sure that it is free of defects and relieved the financier from any liability regarding any defect(s) which may be discovered in the property and shall have no right against the bank under any pretext thereof.
- 16- Early payment:
  - a- The client, after elapse of two years from the date of the contact, may request early repayment, provided this shall be done by means of special agreement to be made between the two parties. In this case, the bank shall be entitled to:
    - The remaining installments without term cost (the balance of the original loan).
    - Term cost for the three months following the early repayment.
    - Any amount payable under the contract on the date of early repayment which the client has not paid yet.
  - b- If the client wishes to make early repayment during the said restriction period (before elapse of two years from the contract start date), the bank, at its absolute discretion, may accept or reject early payment request. In case the bank agreed to early repayment, it will be entitled to the following amounts:
    - Remaining installments without term cost (remaining balance of the original loan).
    - Term cost for the remaining period of restriction period.
    - Any due and payable amount under the contract on the date of early repayment not paid by the client
    - All expenses incurred by the bank by reason of the contract.
- 17- Cooperative/Takaful Insurance on the Client:  
The bank shall procure cooperative insurance to cover the borrowed loan in case of death or total disability with a cooperative insurance company, but the insurance will be cancelled in the following cases:
  - 1- If any information provided by the client in any document proved to be false or incomplete.

- 2- In case of death or total disability during the first one hundred and twenty days following the date of Murabaha contract made between the two parties.
  - 3- In case the reason of death is that the client has committed suicide or has been killed in a criminal, terroristic incident or any similar situation to which the insurance conditions approved by the bank are not applied.
  - 4- In case the reason of death is the client suffering from a chronic disease before obtaining the personal finance.
  - 5- In the event that heirs fail to notify the bank within the first 90 days of the death of the client.
  - 6- The heirs/successors failure to submit the minimum required documents (death certificate/medical report/police report).
  - 7- If the death occurred after the client's failure to pay three consecutive or intermittent installments.
  - 8- In case of total disability of retired persons.
- 18- Cooperative/Takaful Insurance on the Property:  
Cooperative insurance on the property against risks in case of damage shall be made by the bank with a cooperative insurance company. The coverage shall be in the amount of the remaining balance of the loan granted to the client, provided that bank shall be notified of such risks within three days from the date of occurrence of same. The following cases shall be excluded (as per the insurance company terms and conditions):
- 1- Loss or damage of property contents including cars and moneys.
  - 2- Loss of part of the mortgaged property by means of theft or after fire occurrence.
  - 3- Damage by reason of frosting, falling rocks or land slip.
  - 4- Rain water damages caused by opening of windows, doors or ventilation devices unless caused by wind force.
  - 5- Any other exceptions determined by the insurance company.
- 19- General Provisions:
- The client irrevocably and unconditionally authorizes the bank to automatically debit, without need of approval, notice or warning, the client's current account with the bank or any other accounts, moneys, assets or deposits with the bank branches belonging to him, the value of the due installment(s), and other bank's rights arising from the contract, on the specified maturity date thereof.
  - In case the client fails to pay an installment(s) due from him, whether as a result of balance inadequacy, his failure to credit his salary to his account with the bank, insufficiency of the salary or his withdrawal of his salary before repaying the due installment(s), the bank may deduct such installment(s) from any moneys thereafter available in the client's account or from any salary credited to his account with the bank thereafter without his notice.
  - The bank shall notify the client with any changes of terms and conditions within at least 60 working days prior to making these changes.
  - To guarantee the bank's rights, the client has submitted the following guarantees:
    - a- The Client shall undertake to bring the guarantor who is signatory to the contract and indicted at the end of the contract if so requested.
    - b- The client shall provide the bank with a promissory note equivalent to the loan amount, provided this shall not be executed except on maturity of the loan.
    - c- The client shall confirm that all accounts open in his name or those which will be opened in his name with the bank or any of its branches in the future, will be considered as guaranteeing each other interchangeably, irrespective of their names, and in case of the client's failure to perform his obligations, the bank shall have the right to do any of the following acts:
      - 1- Merge or consolidate those accounts or part thereof and deduct the credit balance of any of them in order to pay the debit balance in others or freeze the credit balance of any of the accounts in order to satisfy all clients' obligations towards the bank.
      - 2- The set-off, deduction of the credit balance and making entries, adjustments and transfers in any accounts opened or to be opened under the name of the client with any of the bank branches.
    - d- In case of impairment of the value of submitted guarantees, the bank shall have the right to request the client to submit substitute guarantees acceptable to the bank. If the client fails to submit such substitute guarantees within (90) days from the date of the bank's written notice to him, the bank shall have the right to any of the actions as per the terms of the contract. The bank shall also have the right to sell the property and receive the sale proceeds to repay the remaining contract value and this shall be considered as an irrevocable authorization from the client to the bank or its representative.
      - The bank shall have the right to claim any amount due to it from the client, and the bank's failure to make such claim on maturity date thereof shall not be considered as waiver of exercising the right to take any precautionary measure or seizure of the client money. The client also agrees that the bank shall always have the right to take any actions to safeguard and collect his dues from the client, including request of seizure of his dues with private or government organizations with an amount equivalent to that owed by him to the bank, and to request the proceeds of the same even after the expiry of the specified period.
      - The client agrees that the bank shall have the right to transfer whole or part of its rights arising from the contract (including the right of mortgage and other guarantees provided as per the contract) to any party.
      - In case of the client resignation or termination of his employment with his employer and the employer transfers his end of service gratuity or any other dues of the client, the bank shall have the right to use all or part thereof to repay the whole or part of the loan regardless of the finance status.
  - 1- The client agrees to provide the bank with any requested information or data requested from him by the bank to establish its account with the bank and/or manage it. The client also authorizes the bank to obtain the information it needs with respect to the customer or his said account or any other account he has with the bank, from Saudi Credit Information Company (SIMAH) and/or disclose information of the client and his said account or any other accounts he may have with the bank to the Saudi Credit Information Company (SIMAH), and/or to any other entity approved by the Saudi Arabian Monetary Agency (SAMA).
  - 2- The client authorizes Samba Financial Group or its representative to update any data or information for the client with (SIMAH) and the client also confirms that he understands that any delinquency in repaying the due installments shall adversely affect his credit record.
  - 3- The client shall be considered as breaching his obligations and covenants under the contract in case of any of the following acts:
    - a- If he breaches, not complies or delays the performance of any of his obligations and covenants under the contract.
    - b- If it has been discovered at any time that the information or documents provided by him for the purpose of obtaining Al-Khair Home finance are false and if the same affects the compliance with the contract obligations.
    - c- If he abstains to repay the bank dues or where it is proven to the bank that he is incapable of satisfying his obligations.
    - d- If he delays repayment for any reason whatsoever.
- In case of occurrence of any of the abovementioned events, all unpaid installments from the proceeds of sale shall become immediately payable without being linked to their maturity date, and early repayment conditions shall apply.
- Evaluation of the property, that is intended to be bought, might cause disparity in its value or to change the specified standards of the property finance, which could affect the client's interest and might prevent him from completing the financing process.
  - Some finance products may contain varying degrees of risks, for example, changing property's value, construction defects or Expropriation.